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Interrogating scarcity: the political determinants of Universal Health Coverage

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What are the political-economic drivers behind the “push” for Universal Health Coverage?

Will Universal Health Coverage reduce health inequalities?

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Interrogating scarcity: how to think about 'resource-scarce settings'

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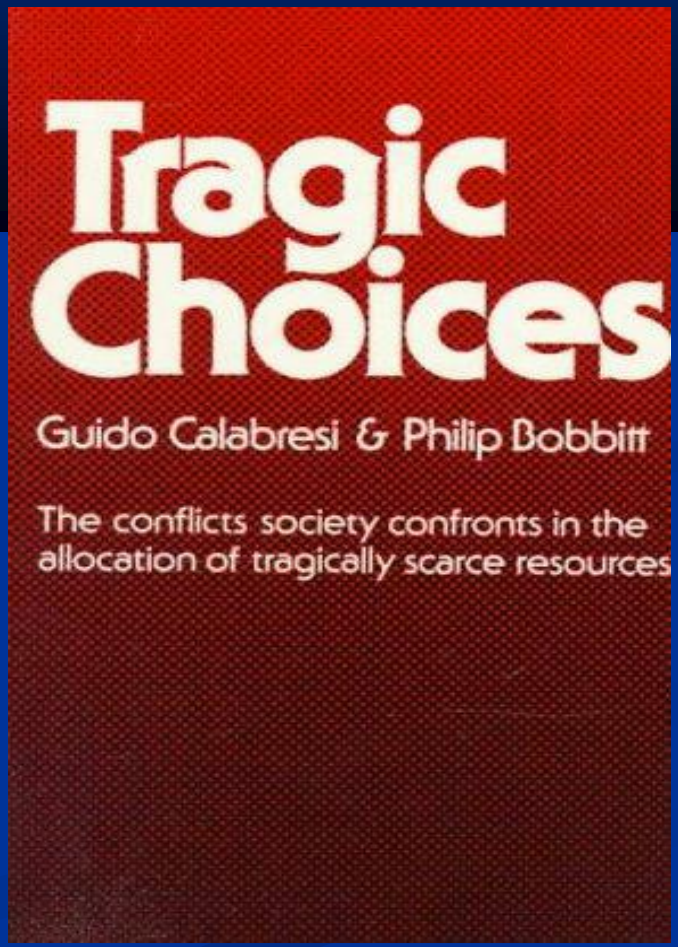
The idea of resource scarcity permeates health ethics and health policy analysis in various contexts. However, health ethics inquiry seldom asks—as it should—why some settings are 'resource-scarce' and others not. In this article I describe interrogating scarcity as a strategy for inquiry into questions of resource allocation within a single political jurisdiction and, in particular, as an approach to the issue of global health justice in an interconnected world. I demonstrate its relevance to

Interrogating scarcity – a valuable alternative approach?

"[S]carcity is not the result of any absolute lack of a resource but rather of the decision by society that it is not prepared to forgo other goods and benefits in a number sufficient to remove the scarcity"

... *Scarcity cannot simply be assumed as a given"*

(Calabresi & Bobbitt, 1978)



Typical statement in contemporary discussions of universal coverage:

"For poorer countries in particular, fiscal realities greatly constrain the ability to rely predominantly on public funding, making the challenges and tradeoffs to be weighed even more difficult"
(WHO and World Bank, 2013).

Of course we must not believe in magic, but after the financial crisis it is more important than ever to ask: *Where do "fiscal realities" come from?*

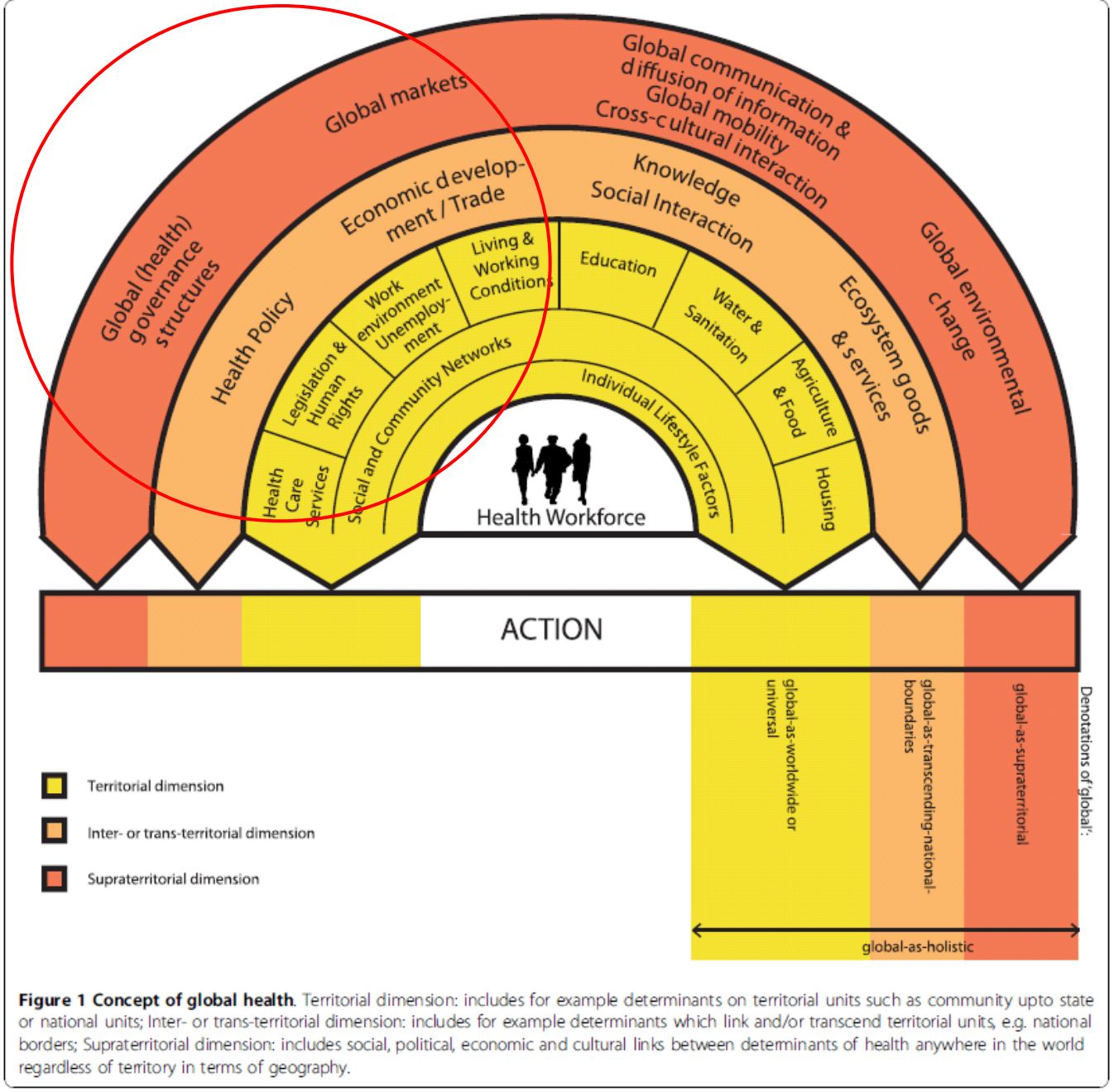


Figure 1 Concept of global health. Territorial dimension: includes for example determinants on territorial units such as community upto state or national units; Inter- or trans-territorial dimension: includes for example determinants which link and/or transcend territorial units, e.g. national borders; Supraterritorial dimension: includes social, political, economic and cultural links between determinants of health anywhere in the world regardless of territory in terms of geography.

(Bozorgmehr, 2010)

Expansion of the Financial Sector

- Reduced social provision
  - public → private pensions
  - social → private health insurance
  - public → private education, care for elderly => reliance on private savings
- Inequality (later)
- Deregulation:
  - shift of finance from banking to speculation

(Woodward, 2012)

Public Finance	Public Budgets	Public Provision
Private Finance	Private Insurance	Private provision

The National Health Service (NHS)

(McCoy, 2012)

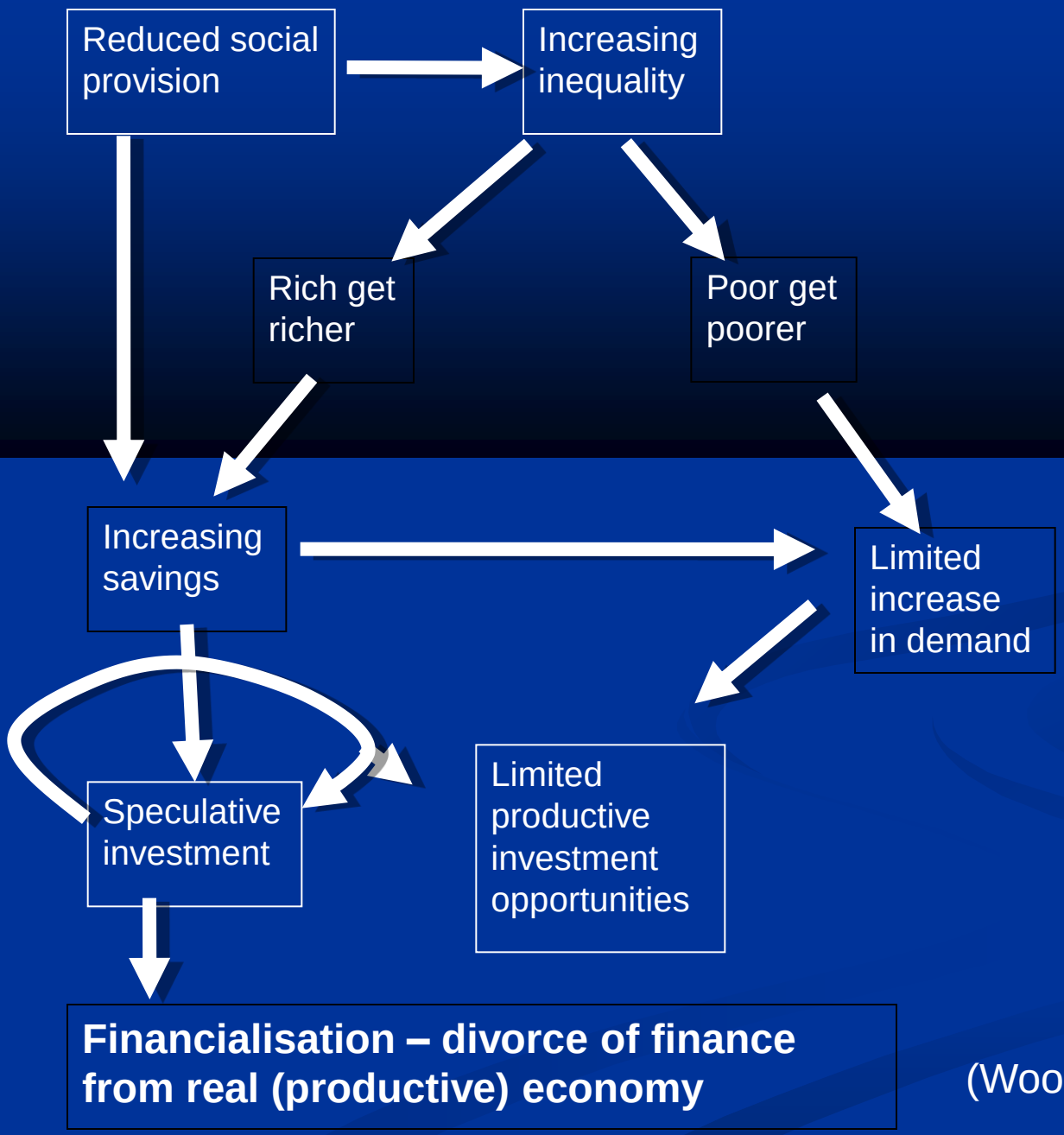
Public Finance	Private Management of Public Budgets	Public Provision
	The National Health Market	
Private Finance	Co-payments Private Insurance	Private provision

(McCoy, 2012)

Expansion of Finance

- US: 4% of GDP in 1981 → 8% in 2007
- UK: 5.3% in 2001 → 8.3% in 2007
  - Grew more than 3x faster than GDP
  - More than health and social work (7.1%) or education (5.9%)
- Role is only to get money from those who have it to those who need it
- In the UK, more than health or education
- Not a good buy even if it worked
- In fact, it is profoundly dysfunctional, and serves little real purpose

(Woodward,2012)



(Woodward,2012)

The global economic crises

- Pro-cyclical (austerity) or counter-cyclical (social protection) approach
- “Targeting” (pro-poor) vs “Universalism”
- European welfare states: Importance of tax policy and formal labor market + monetary & financial control.
- 21st century: explicitly and implicitly relying on the complementary institutions of industrial society
- Universal social protection is not **just a matter of resources**
- Universalism cannot be realized with sector-specific and one – dimension focused silo approach

(Ilcheong Yi: New Social Policy for the 21st Century, 2012)

Drivers for Universal Health Coverage?

- “To open middle-class markets in LMICs to health insurance provided by high income countries banks” (Prof. JP Unger, June 2013)
- Hidden motives: Health care expenditure is 16% of GDP in US, 8% of GDP in Spain. The biggest worldwide market to earn?
- Example: Chilean health ISAPRES belongs to 3 EU/US Banks
- Example: Health Insurance fund (NL), investments in Nigeria, Kenya and Tanzania (social health insurance)

Mandatory social health insurance has limitations

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Manana Mikaberidze, 52, is a doctor from the Gori region of Georgia. She is not eligible for government-sponsored health insurance and cannot afford to join a private health insurance scheme. Manana was diagnosed with cervical cancer earlier this year and has had to rely on generous loans from her relatives to get treatment. She often uses her own salary to buy medicines for patients who cannot afford to pay for these themselves. It is hoped that major new reforms aimed at achieving UHC in Georgia will help ordinary people, like Manana, to get the health care they need.

UNIVERSAL HEALTH COVERAGE

Why health insurance schemes are leaving the poor behind

Legislation on the for-profit private health sector in east and southern Africa

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with the Health Economics Unit, University of Cape Town

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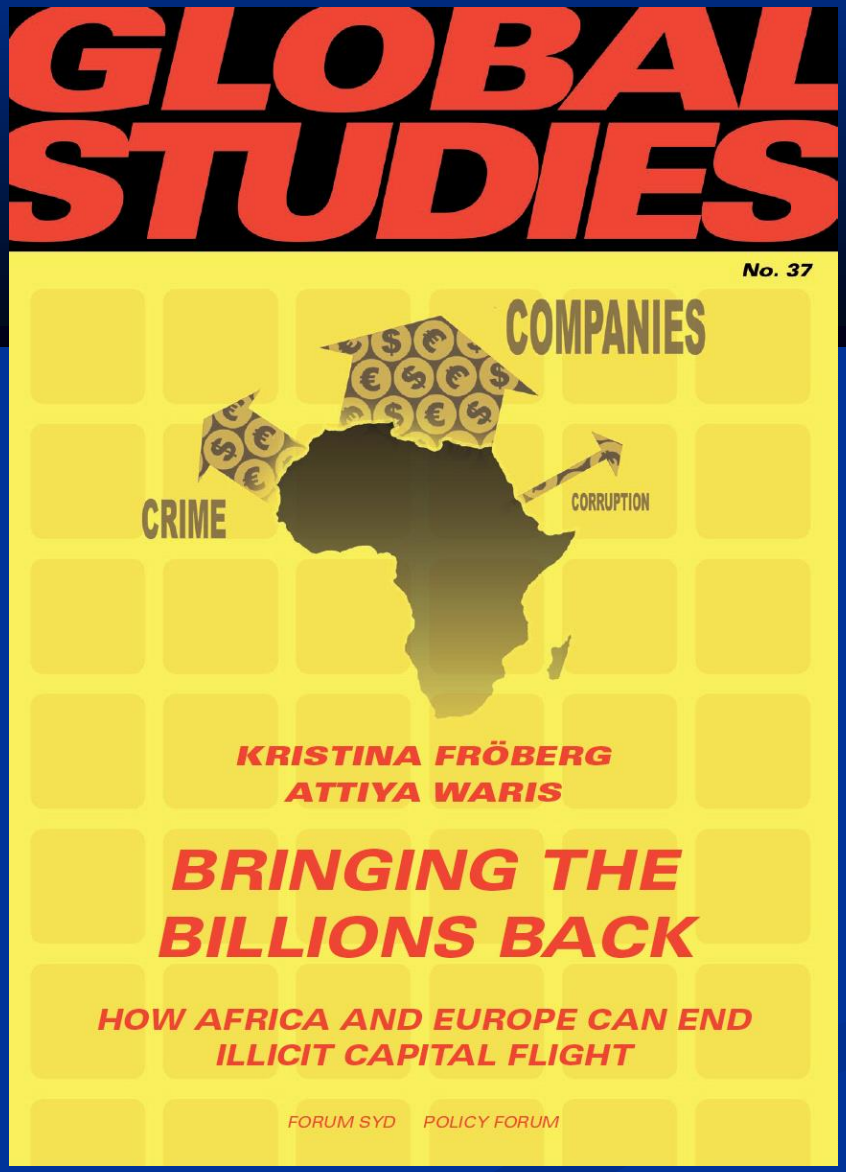
EQUINET DISCUSSION PAPER 99
AUGUST 2013

General progressive taxation as a basis…



Capital flight and untaxed wealth are key shapers of "fiscal realities"

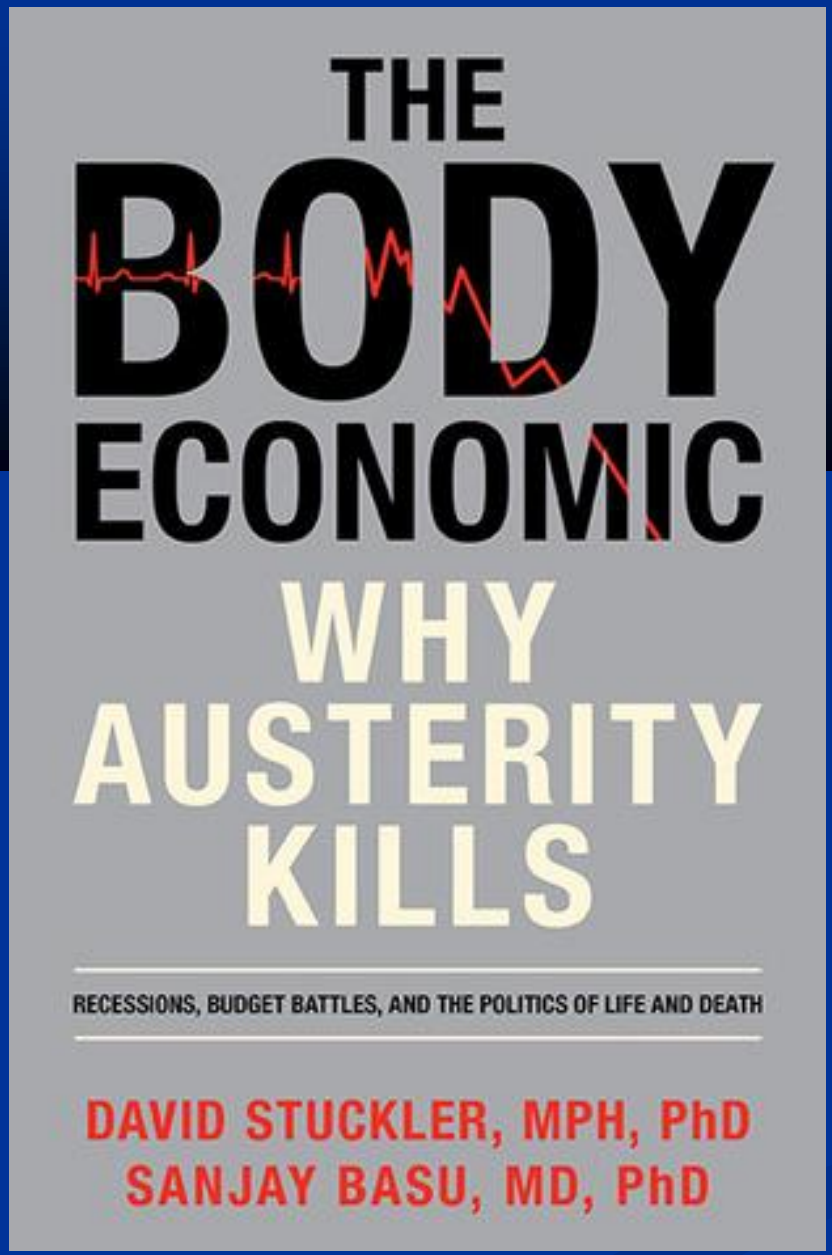
Value of wealth held in offshore financial centres: $8 – 21 trillion (Valencia, 2013)

Value of capital flight + imputed interest from sub-Saharan Africa, 1970-2008 *5x value* of outstanding external debt; for every $1 of external loans, $0.60 capital flight in same year (Ndikumana & Boyce, 2011)

The devil is in the details:

Will Universal Health Coverage contribute to "universalism", social transformation, more equitable societies at national *and* global level?

Monitoring and research required to provide facts and evidence for political choices



"Investment in intensive programmes to help people return to work; Active Labour Market Programmes reduce depression and suicides"

" The fiscal multiplier – the economic bang- for spending on health care, education, and social protection is many times greater then for money ploughed into, e.g. bank bailouts or defense spending"

(Stuckler, 2013)

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